

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA**

<b>IN THE MATTER OF THE APPLICATION OF</b>	)	<b>ORDER GRANTING JOINT</b>
<b>MONTANA-DAKOTA UTILITIES CO. FOR</b>	)	<b>MOTION FOR APPROVAL</b>
<b>AUTHORITY TO INCREASE RATES FOR</b>	)	<b>OF SETTLEMENT</b>
<b>NATURAL GAS SERVICE</b>	)	<b>STIPULATION</b>
	)	<b>NG04-004</b>

On June 7, 2004, Montana-Dakota Utilities Co. (MDU), filed with the Public Utilities Commission (Commission) an application to increase natural gas rates in its Black Hills service territory. The application seeks an increase in rates in the approximate amount of \$1,281,417 or approximately 2.2%. On June 22, 2004, the Commission suspended the proposed schedule of rates for 90 days beyond June 7, 2004.

At its regularly scheduled meeting of June 22, 2004, the Commission found that pursuant to SDCL 49-1A-8, MDU shall be assessed a filing fee as requested by the executive director up to the statutory limit of \$100,000. The Commission further established an intervention deadline of July 9, 2004. On July 15, 2004, Commission Staff advised the Commission that the suspension should have been for 90 days beyond July 7, 2004. On July 20, 2004, pursuant to SDCL 49-34A-14, the Commission suspended the operation of the schedule of rates proposed by MDU for 90 days beyond July 7, 2004.

The Commission set the matter for hearing for November 4 and 5, 2004, starting at 9:00 A.M., on November 4, 2004, in Room 412, State Capitol, 500 East Capitol, Pierre, South Dakota. On October 28, 2004, the Commission was informed that Commission Staff and MDU had reached a settlement agreement, so the hearing set for November 4 and 5, 2004, which was scheduled to hear the testimony of the parties was cancelled. On November 15, 2004, the Commission received a Joint Motion for Approval of Settlement Stipulation and Settlement Stipulation signed by all of the parties. On November 18, 2004, the Commission received Staff Memorandum Supporting Settlement Stipulation. Staff requested that the Commission consider the Settlement Agreement on November 30, 2004.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-34A, including 1-26-18, 1-26-19, 49-34A-2, 49-34A-3, 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-8.1, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-13.1, 49-34A-14, 49-34A-16, 49-34A-17, 49-34A-19, 49-34A-19.1, 49-34A-19.2, 49-34A-20, 49-34A-21, 49-34A-22, and 49-34A-23.

On November 30, 2004, the Commission heard from MDU and Commission Staff concerning the proposed Settlement Stipulation. After listening to the presentations, the Commission voted to grant the Joint Motion for Approval of Settlement Stipulation.

The tariff sheets approved by this order and effective for service rendered on and after December 1, 2004, are as follows:

Section No. 1

1st Revised Sheet No. 1, Canceling Original Sheet No. 1  
1st Revised Sheet No. 1.1, Canceling Original Sheet No. 1.1

### Section 3

9th Revised Sheet No. 1, Canceling 8th Revised Sheet No. 1  
1st Revised Sheet No. 2, Canceling Original Sheet No. 2  
1st Revised Sheet No. 11, Canceling Original Sheet No. 11  
2nd Revised Sheet No. 13, Canceling 1st Revised Sheet No. 13  
1st Revised Sheet No. 22.1, Canceling Original Sheet No. 22.1  
1st Revised Sheet No. 26, Canceling Original Sheet No. 26

### Section 5

1st Revised Sheet No. 1, Canceling Original Sheet No. 1  
1st Revised Sheet No. 1.1, Canceling Original Sheet No. 1.1  
1st Revised Sheet No. 1.2, Canceling Original Sheet No. 1.2  
1st Revised Sheet No. 1.3, Canceling Original Sheet No. 1.3  
1st Revised Sheet No. 1.4, Canceling Original Sheet No. 1.4  
1st Revised Sheet No. 1.5, Canceling Original Sheet No. 1.5  
1st Revised Sheet No. 1.6, Canceling Original Sheet No. 1.6  
1st Revised Sheet No. 1.7, Canceling Original Sheet No. 1.7  
1st Revised Sheet No. 1.8, Canceling Original Sheet No. 1.8  
1st Revised Sheet No. 1.9, Canceling Original Sheet No. 1.9  
1st Revised Sheet No. 1.10, Canceling Original Sheet No. 1.10  
1st Revised Sheet No. 1.11, Canceling Original Sheet No. 1.11  
1st Revised Sheet No. 1.12, Canceling Original Sheet No. 1.12  
1st Revised Sheet No. 1.13, Canceling Original Sheet No. 1.13  
1st Revised Sheet No. 1.14, Canceling Original Sheet No. 1.14  
1st Revised Sheet No. 1.15, Canceling Original Sheet No. 1.15  
1st Revised Sheet No. 1.16, Canceling Original Sheet No. 1.16  
1st Revised Sheet No. 1.17, Canceling Original Sheet No. 1.17  
1st Revised Sheet No. 1.18, Canceling Original Sheet No. 1.18  
1st Revised Sheet No. 1.19, Canceling Original Sheet No. 1.19  
1st Revised Sheet No. 24, Canceling Original Sheet No. 24

### Section 6

1st Revised Sheet No. 5, Canceling Original Sheet No. 5  
1st Revised Sheet No. 8, Canceling Original Sheet No. 8  
Original Sheet No. 8.1  
1st Revised Sheet No. 12, Canceling Original Sheet No. 12  
1st Revised Sheet No. 13, Canceling Original Sheet No. 13  
1st Revised Sheet No. 16, Canceling Original Sheet No. 16

It is therefore

ORDERED, that the Joint Motion for Approval of Settlement Stipulation is hereby granted. The Settlement Stipulation is incorporated by reference into this Decision and

Order the same as if it had been set forth in its entirety herein.

Dated at Pierre, South Dakota, this 10th day of December, 2004.

<p style="text-align: center;"><b>CERTIFICATE OF SERVICE</b></p> <p>The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.</p> <p>By: _____</p> <p>Date: _____</p> <p style="text-align: center;">(OFFICIAL SEAL)</p>
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BY ORDER OF THE COMMISSION:

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ROBERT K. SAHR, Chairman

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GARY HANSON, Commissioner

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JAMES A. BURG, Commissioner